

ICSG(I)/3
1 April 1992

Original: ENGLISH

INTERNATIONAL COPPER STUDY GROUP

Inaugural Meeting

Geneva, 22 June 1992

Item 10 of the provisional agenda

LOCATION OF THE HEADQUARTERS OF THE GROUP

At the meeting convened under paragraph 22(d) of the terms of reference of the International Copper Study Group in Geneva on 23 and 24 January 1992, the representative of Chile presented his Government's offer to host the headquarters of the Group in Santiago, Chile, and circulated informally a note (reproduced in annex I below). Any other proposal received subsequently shall be presented in an addendum to this document.

Annex I**ELEMENTS IN FAVOUR OF THE ESTABLISHMENT OF THE HEADQUARTERS
OF THE INTERNATIONAL COPPER STUDY GROUP IN CHILE**

The headquarters of an international organization should be linked to the circumstances which motivated its establishment, to the purposes pursued, and to the conditions which the country offering the headquarters offers. That is, a place which will permit the organization to carry out its objectives effectively.

Objectives of the International Copper Study Group

The International Copper Study Group is coming into being as an answer to several concerns about the world copper economy. The main reasons for the creation of this new organization are the slow increase in copper demand, the uncertainty associated with price instability and the future course of the market. Such issues lead governments to intervene in the market and to adopt a policy which may be harmful to the interests of other countries or to the industry and copper market as a whole.

As a result, the need arises for all participants in the market, both producers and consumers, to examine their common problems and reach mutual understanding, rather than acting in accordance with what each believes to be their own interests. A continuous dialogue of this nature is conceived as a way of extending such understanding. Another important goal is greater transparency of the market. It is estimated that the use of more complete, reliable and up-to-date statistics, as well as special investigations, would reduce errors which companies may make when defining their market strategy, or governments when conceiving and applying their basic policy.

Consequently, transparency of the market and a continuous dialogue to harmonize all the interests at stake are the main objectives of the International Copper Study Group.

Such objectives were set forth in the mandate of the International Copper Study Group, which, in describing the objectives of the Group, refers to: "2. Intensify international cooperation on issues related to copper, improve available information on the international copper economy and serve as an adequate setting in which governmental consultations on copper may be discussed". Considering the above objectives, the Group assigned itself the following functions:

- (a) To organize proposals and information exchanges on the international copper economy;
- (b) To improve copper statistics;
- (c) To evaluate periodically the market conditions and the prospects of the copper industry;

- (d) To perform investigations on issues of interest to the Group;
- (e) To undertake activities related to the efforts exerted by various organizations in order to develop the copper market and to contribute to the copper demand;
- (f) To research the problems and special difficulties that exist or could arise in the international copper economy.

Proposal of Chile

Chile supports the dialogue and exchange of information between producers and consumers of copper, and has always been willing to participate very actively in every international request, at a governmental level, as long as such participation does not lead directly or indirectly to the formation of agreements such as cartels, to intervention in the market or to interference in a country's sovereign right to establish its own domestic policies, be they economic, social, ecological or labour policies.

For these reasons, Chile supported the creation of the International Copper Study Group.

According, and in view of its vast experience and mining potential, Chile has proposed to all countries that have joined the Group that the Headquarters of the Group be located on its territory. This proposal is based on the following considerations:

- (a) Chile is the world's main copper producer and exporter; it has acquired important technology, a good infrastructure and a large and rich experience in mining activity.
- (b) In 1990, Chile continued to occupy the leading position in the world production of mine copper, producing 1,588,400 MT of metal, or 17.3 per cent of the world production.
- (c) At present, Chile exports copper to more than 45 countries, reaching the most important markets of Western and Eastern Europe, America and Asia; in 1990, Chile contributed 29.2 per cent of the total copper exports. These factors have allowed Chile to gain extensive knowledge of the behaviour of the international copper market.
- (d) Moreover, national production of copper is expanding, and it is estimated that in the year 2000 it will reach 2.7 million MT of metal, an increase of 50 per cent with regard to actual production levels.
- (e) Furthermore, Chile has been developing important mining technology and has acquired a know-how which will enable it to rise to new and important challenges.

- (f) These and other conditions have attracted to Chile the most important mining investors in the world, all of whom are undertaking major projects in the country.

With regard to metal consumption, Chile has also carried out a number of activities, the most important being the establishment of a copper promotion centre: PROCOBRE. For four years, this centre has performed a key task in the field of copper promotion, not only in Chile but also in the rest of South America, namely the financing of projects to investigate new uses of copper. Also, through Codelco-Chile, and other national producers, our country has become one of the most important actors in stimulating the promotion of copper around the world.

It must be further underlined that in Chile a governmental organism exists, whose fundamental function is the analysis of the copper market: The Chilean Copper Commission. This institution, created in 1976, follows the evolution of the copper industry and market and studies the different elements which influence market behaviour. In this way, the Commission maintains complete, up-to-date and reliable statistics, and carries out investigations on the most important aspects of the metal market.

Chile is a country in which copper mining occupies a central position and, as such, will allow the Group to make use of valuable human and technical resources.

Thus, if the Headquarters are established in Chile, the Chilean Copper Commission will provide the Group with office space (located in Santiago, Huérfanos Street N° 1160, Office 712) where the Group can operate without paying rent for a period of five years.

The Chilean Copper Commission would further offer the Group staff support, together with all the statistics and research material it receives from the industry and copper market; consequently, the Group would not need to incur major expenses during its first period of operation. The Commission is ready to work in close collaboration with the Group, providing it with all its experience and knowledge.

Finally, Chile promises to grant concessions and exemptions which the Group may require.

Conclusions

The International Copper Study Group strives to achieve greater co-operation between copper producers and consumers, as well as an increased transparency of the copper market.

Chile is the major producer and exporter of copper, and has been actively trying to gain a greater knowledge of the market and increased contact with the consumers. These activities have been centered on the continuous improvement of copper statistics, the permanent evaluation of the market and of copper perspectives, the study of the

specific problems of such a market, and the promotion of new uses for copper. These activities find a perfect counterpart in the functions which the Group has assigned itself in order to carry out its objectives.

The extensive knowledge acquired, as well as the amount of information it possesses, make Chile the most suitable country for the establishment of the Group's Headquarters.

ICSG(I)/3/Add.1

11 June 1992

ENGLISH

Original: ENGLISH/FRENCH

INTERNATIONAL COPPER STUDY GROUP
Inaugural Meeting
Geneva, 22 June 1992
Item 10 of the provisional agenda

LOCATION OF THE HEADQUARTERS OF THE GROUP

Addendum

Note by the UNCTAD secretariat

The Secretary-General of UNCTAD has received the following communication from H.E. Mr. Zózimo da Silva, Permanent Representative of Portugal:

"Further to the letter sent to you on 13 May 1992 by the Director of the Geneva Liaison Office of the Council of Ministers of the European Communities, informing you that the Community and its member States had agreed to propose the city of Lisbon, Portugal, as the location for the headquarters of the International Copper Study Group, I have the honour to transmit herewith a brochure setting out the conditions of this candidature.

I should be grateful if you would be good enough to bring it to the attention of the other members of the Study Group".

Accordingly, the brochure outlining the offer of the European Community to host the headquarters of the International Copper Study Group in Lisbon, Portugal, is reproduced in the annex to this document.

GE.92-51206/4270H

1. INTRODUCTION

The International Copper Study Group is a forum of international cooperation aimed at assuring the exchange of information related to the international copper economy, which in turn will improve market transparency and examine the situation as a whole, analysing diverse questions which are of interest to the producer and consumer countries.

For these reasons, and after active participation at the business conferences, the European Community decided to join the International Copper Study Group and present its candidature for the headquarters to be located in Lisbon, hopeful of gaining the support of the other participating countries.

2. BASIS OF THE CANDIDATURE

The Community candidature is based, on the one hand, on the special interest of Portugal in the copper industry due to the known potentiality of the Iberian pyritous belt and the fact that the Neves Corvo mine is undergoing a phase of great expansion and dynamism after entering into production. On the other hand, the candidature is submitted in the conviction that Portugal, as a producing country and CEE member - the CEE being the principal area of consumption - is very well placed to facilitate international cooperation and a mechanism fundamental to the availability of information which will make the market more transparent and intensify dialogue between producers and consumers.

The European Community would very much like to see the headquarters of the International Copper Study Group located in Lisbon for the following reasons:

- Portugal is the major copper producer in the Community and the 16th in world terms, with an annual production of 160,000 tons in 1990, and is at the present time going through a phase of expansion. This fact contributed to a great surge in interest in the sector which was also supported by considerable investments, permitting the rapid growth of copper know-how and technology in Portugal.
- Portugal is also carrying out at this time a study for the installation of a copper smelter which, if materialized, will also contribute to the strengthening of its position in the first transformation area.
- Portugal is simultaneously a producer and a member of the principal group of world consumers, holding therefore a strategically important position and being able to play an important role in improving the dialogue between producers and consumers.
- Portugal is, for the time being, the only Community country participating in the Intergovernmental Council of Copper Exporting Countries (ICCEC), as an observer member, and is therefore able to foresee the importance of accompanying and collaborating with the major producer-exporting countries in the international production policy, evaluation and commercialization of this raw material.

- Portugal does not host, at the present time, any international organism headquarters nor that of any commodity organization. Portugal defends the principle of decentralization as a way to avoid an excessive concentration of such universal organizations in a small number of countries.
- Portugal has adequate and modern substructures capable of responding to the necessities of the work of the Study Group.
- Finally, the geographic position of Portugal is central enough to facilitate the journeys of delegations coming not only from Europe, but also from Africa, America and Asia, thus contributing to a reduction of travel time and costs of such journeys.

3. CONDITIONS OF CANDIDATURE

3.1. Installations

3.1.1. Permanent installations

The Portuguese Government will make an estimated area of 250 m² available in a modern building, to be acquired by the Direcção-Geral de Geologia e Minas (DGGM) of Portugal in an easily accessible locality in the centre of Lisbon, which can be rented for 4,000 dollars/month (600 contos), subject to an annual increase in accordance with the fixed commercial rental indexations.

The area referred to above will contain:

- a reception area;
- space, including divisions, for the installation of offices for 8 to 10 people, including secretaries;
- a room for holding meetings;
- filing and library space.

The rental price shall include:

- consumption of electricity;
- installations for telephones, fax, telex and computers;
- parking space for two vehicles;
- theft and fire insurance.

As the DGGM is the organism responsible for the extractive industry, it is favourably placed to help the Group in terms of technical documentary material, and therefore the installation in the same premises could prove to be extremely useful.

The DGGM could also make available, without any further costs except for those incurred in the use of interpretation services, a room for holding conferences (with a maximum of 50 participants) and which would offer cabins for interpretation in three languages.

3.1.2. Provisional installations

Until the acquisition of permanent installations, the Portuguese Government is willing to cooperate, without any cost to the Study Group, in finding adequate installations of an identical area in an easily accessible and central locality. The Portuguese Government is also prepared to bear the difference between a monthly rental and 5,000 dollars - a sum considered competitive with any alternative that the Group may find in another locality.

3.2. The advantages of being located in Lisbon

Finally, it must be said that Lisbon, as a site for the location of the Study Group headquarters, offers many advantages, of which the following are noteworthy:

- it is an attractive city;
- it is geographically central in relation to the other member countries;
- prices of hotels and food are competitive, which would result in reduced expenses for the delegates attending the meetings;
- modern and adequate substructures are capable of meeting the needs of the Study Group;
- excellent commercial and banking facilities;
- the possibility of recruiting qualified technicians with adequate knowledge of languages.

3.3. Headquarters agreement

The Portuguese Government is ready to negotiate an agreement with the Study Group for the headquarters along the lines of those already in existence, for example the one for the lead and zinc study group.

Comparative table of cost and duration of travel to Lisbon and Santiago, Chile

Country	Capital	Cost (dollars)				Duration	
		Lisbon		Santiago		Lisbon	Santiago
		Class Y	Class C	Class Y	Class C	hours	
Germany	Bonn	1 351	1 797	5 089	5 598	+/- 5	+/-20
Belgium	Brussels	1 343	1 469	5 713	6 295	+/- 2	+/-20
Chile	Santiago	3 159	3 477			+/-18	
China	Beijing*	3 102	3 412	3 048	3 854	+/-14.50	+/-33.30
Spain	Madrid	510		4 650	5 116	+/- 1	+/-15
United States of America	Washington	2 046	3 084	2 809	3 323	+/- 9.15	+/-12
Philippines	Manila	2 921	3 432	4 098	5 103	+/-24	+/-35
Finland	Helsinki	2 307		5 405	6 053	+/- 5	25
France	Paris	1 248		5 407	5 951	+/- 2.20	18.40
Greece	Athens	1 250		5 407		+/- 4.30	25
Netherlands	The Hague	1 376		5 553	6 228	3	19.15
Italy	Rome	1 307		4 971	5 628	3	16.45
Luxembourg	Luxembourg	1 343	1 469	5 686	6 295	2.45	22.45
Norway	Oslo	1 911		5 495	5 933	6.05	22.50
Peru	Lima*	3 088		621	715	23.40	3.15
Poland	Warsaw	1 046		3 260	3 650	7.05	22.55
Portugal	Lisbon			3 251	3 602		22.30
Austria	Vienna	1 829		5 180	5 809	4.50	22.20
Canada	Ottawa	2 559	2 788	3 803	4 387	10	16.57
Japan	Tokyo	3 941	5 102	5 349		17	26.05
United Kingdom	London	831		4 449	6 498	2.40	20.55
Ireland	Dublin	1 240		5 387	6 840	5.20	23.45
Turkey	Ankara	1 239		5 301	5 830	11.35	26.15
Ex-USSR	Moscow	2 440		7 070		8.25	29.23
Zambia	Lusaka*	3 212	3 694	3 146	3 622	18	
Zaire	Kinshasa	2 660	3 027	3 843	4 421	12	

* Cost higher to Lisbon.

ICSG(I)/3/Add.2
18 June 1992

Original: ENGLISH

INTERNATIONAL COPPER STUDY GROUP
Inaugural Meeting
Geneva, 22 June 1992
Item 10 of the provisional agenda

LOCATION OF THE HEADQUARTERS OF THE GROUP

Addendum

The offer of Canada to host the headquarters of the International Copper Study Group in Montreal is set out in this document.

Société du centre de conférences
internationales de Montréal
1801, McGill College, Bureau 95
Montreal (Quebec) H3A 2N4
(514)987-8191 Télécopieur (514)987-1948

HEADQUARTERS OF THE INTERNATIONAL COPPER STUDY GROUP

Canadian proposal - Montreal

The Société du centre de conférences internationales de Montréal (SCCIM) (Montreal International Conference Centre Corporation) is pleased to submit to members of the International Copper Study Group the following proposal for the location of its headquarters in Montreal.

The SCCIM was founded by the federal, provincial (Quebec) and municipal (Montreal) Governments to promote the establishment of international organizations in Montreal and to plan for the construction of additional international conference facilities of the highest quality.

The SCCIM recognizes and acknowledges the significance and importance of the presence of international organizations such as the International Copper Study Group for the reputation and development of Montreal. The ICSG is considered by Canada and Montreal in particular as an important institution whose presence would enhance a very important sector of the Canadian economy. The organization for its part would stand to benefit from the presence in Montreal and nearby of significant research and technology resources in the field of mining and metals, both in universities and the public and private sectors. Of particular significance is the presence in Montreal of the Canadian Space Agency. Canada's major international contribution in this field is the Radarsat programme, begun in 1981, by the Canadian Teledetection Centre. This new instrument will, among other applications, play a decisive role in world-wide mining and oil prospecting.

The SCCIM has prepared the attached proposals in collaboration and with the full support of senior officials of the federal Department of External Affairs and other federal departments concerned including Energy, Mines and Resources, senior officials of the Ministère des Affaires internationales du Québec (Quebec Department of International Affairs), senior officials of the Secrétariat aux Affaires internationales de Montréal (Montreal International Affairs Secretariat) and the Office of the Mayor of Montreal.

Montreal plays a key role as host of some thirty international organizations including: the International Civil Aviation Organization (ICAO), the International Air Transport Association (IATA), the International Aviation Management Training Institute, the Institute and Centre for Research of Air, Space and Land and the Société internationale de télécommunications aéronautiques (SITA). Montreal was also recently chosen as the location for the new Secretariat of the Ozone Multilateral Fund and the greater metropolitan region of Montreal was recently selected as the site of the new Canadian Space Agency.

The Canadian and Quebec Governments and the City of Montreal have within the last two years implemented new policies to facilitate privileges, immunities and benefits for international non-governmental organizations and international governmental organizations. As will be seen in the attached documentation, the package of benefits offered is one of the most favourable offered by any city in the world (Annex I).

Should the ICSG favourably consider this expression of interest, the Canadian and Quebec governments would be delighted, following normal negotiations, to provide immunities, privileges, and benefits corresponding to the status of an international governmental organization accorded in Canada.

Finally, the SCCIM, in agreement with the three levels of governments concerned, is prepared to offer to the ICSG's secretariat special assistance as follows:

1) Accommodation

At an overall value estimated at \$200,000 Cdn, fully equipped and operational office accommodation for four/five persons including support staff - during the initial phase of three years.

Accommodation would be located in first class building, in space occupied by SCCIM (Intercontinental Hotel building centrally located in new and prestigious real estate complex).

This would include furnishings, furniture and equipment (i.e. telephone installation), use of common services (i.e. receptionist, conference rooms - for up to 30 persons, etc.)

- 2) An overall contribution of \$100,000 for installation and operational costs to be paid in equal annual instalments during each of the first three years of operation. (The possibility of a modified schedule of payments can be envisaged (i.e. \$50,000 for the first year and two annual instalments of \$25,000 in each of the two following years).
- 3) Availability of first class large conference facilities at nominal or low cost, i.e. in ICAO building or Palais des Congrès (with sufficient advance notice).
- 4) Permanent assistance/advice from a senior officer of the SCCIM responsible for important matters relating to the presence of international organizations established in Montreal: relations with government administrations, permanent office accommodation in Montreal, immigration and visa questions, work permits for spouses, etc.

It is our view that Canada is the right choice for the location of the ICSG's headquarters. A recent report issued by the United Nations ranked Canada first among industrial countries, ahead of Japan, Norway, Switzerland and Sweden, in a list established to measure the human development performance of all countries in terms of life expectancy, national income and educational attainment.

Montreal is a particularly attractive option for the ICSG, a major industrial, business and cultural metropolis. A bilingual city with a regional population of 3 million people, Montreal combines high standards of comfort, safety and well-being, with a comparatively reasonable cost of living, affordable housing and first rate transportation facilities. Access to a comprehensive social security system is available to employees of international organizations as is - free of charge - access to the public educational system at the primary and secondary levels, in both English and French. A description of the advantages offered in Montreal is attached (Annex I).

ANNEX 1

Privileges, immunities and tax exemptions

Canadian authorities will offer protection to ensure the inviolability of the premises, property and archives of the Organization.

All officials of international governmental organizations (IGOs) are granted immunity from the civil and criminal jurisdiction of the Canadian courts in relation to actions taken in the course of their duties. Officials of IGOs are exempt from federal income taxes on their salaries and other remuneration received from the IGO. They are also exempt from customs duties on their personal effects, including a vehicle, upon moving to Canada to take up a position with an IGO.

In addition, certain senior officials of IGOs, and their families, are granted in Canada a status equivalent to that of a diplomatic agent. This includes exemption from all direct taxes including the GST, Canada's value added tax. The Canadian Government exonerates dependants of IGO's international civil servants from regulations requiring a student visa or authorization.

The Quebec Government also adheres to international standards guiding financial exemptions from income, consumer and municipal taxes, and establishing legal immunities for IGOs.

With water and service taxes rated at up to 7.5% of a property's rental value, the City of Montreal has resolved to set a \$ Cdn 60 yearly ceiling for IGOs established on its territory.

The Quebec Government facilitates easy entry into the province for foreign personnel of IGOs, and their families. It ensures the rapid issue of documents permitting spouses to work, in conformance with provincial regulations. Foreign civil servants' children may attend school in a language other than French, while both spouse and children can qualify for the same education rights granted to Quebec students.

Social measures

With regard to pensions, labour standards, on-the-job health and safety, work injuries, occupational diseases and health insurance, each organization normally has its employees covered by the various Quebec plans and contributes to those plans in accordance with the regulations in force, subject always to social security arrangements the Government of Quebec may agree upon.

Health care services also apply to the spouses and family members referred to above.

Education

In accordance with current regulations, the children of employees referred to above may receive instruction in the language of their choice. Employees, their spouses and their dependent children pay the same school fees or tuition as Quebec residents. (No tuition fees in the public school system at the primary and secondary levels. Enrolment fees, at a reasonable level, about \$ Cdn 1200, are charged by universities).